RAJYA SABHA

Thursday, the 28th April, 1994/8th Vaisakha, 1916 (Saka)

The House met at eleven of the clock, Mr. Chairman in the Chair

OBITUARY REFERENCE

MR. CHAIRMAN : I refer with profound sorrow to the passing away of Shri Akbar Ali Khan, a former Member of this House, on the 27th April, 1994 at the age of 95 years.

Born at Hyderabad in November, 1899, Shri Akbar Ali Khan had his education at Jamia Millia, Aligarh Muslim University, Osmania University and University College of London and was called to the Bar from the Middle Temple, London. He actively participated in the freedom struggle.

He was also closely associated with several social, welfare and educational organisations in various capacities and had founded the All India Sufi Council of which he was President.

For his diverse contribution to national reconstruction, Shri Khan was awarded the Padma Bhushan.

Shri Khan was a Member of the Rajya Sabha representing the State of Andhra Pradesh from April, 1954 to April, 1960; April, 1960 to April, 1966; and again from April, 1966 to April, 1972. He also served as the Governor of Uttar Pradesh and Orissa.

In his death, the country has lost an eminent freedom fighter, dedicated social worker, administrator and Parliamentarian.

We deeply mourn the passing away of Shri Akbar Ali Khan.

I request Members to rise in their places and observe silence as a mark of respect to the memory of the departed.

[*Hon. Members then stood in silence for one minute.*]

MR. CHAIRMAN : Secretary-General will convey to the members of the bereaved family our sense of profound sorrow and deep sympathy.

ORAL ANSWERS TO THE QUESTIONS

Price of bulk drug Verapamil

*441. SHRI H. HANUMANTHAPPA :
SHRI ANANT RAM JAISWAL†:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) what is the price of bulk drug Verapamil on which the formulation prices were based and since when;

(b) whether it is a fact that the bulk drug is available at least 25 per cent cheaper but the formulation prices have not been reduced;

(c) what are the reasons for the same and who is responsible for such a state of affairs;

(d) whether it is a fact that a number of bulk drugs are available at much lower price than the prices at which the ministry fixed their formulation prices; if so, the names of these drugs and steps taken to reduce formulation prices; and

(e) whether it is a fact that producers made crores of unintended profits on this account and if so, whether Government are considering introduction of para 7(2) of DPCO, 1979 in the new Price Control Order ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO) : (a) to (e) A statement is laid on the Table of the House.

STATEMENT

(a) The price of bulk drug Verapamil on which the prices of the ceiling packs of formulations are based, is Rs. 8950.40 per kg. since 24-12-1993.

(b) and (c) Price of Rs. 8950.40 per kg. of bulk drug Verapamil has been

†The question was actually asked on the floor of the House by Shri Anant Ram Jaiswal.

adopted for pricing of ceiling packs of formulations on the basis of weighted average landed cost of the bulk drug. The principle of weighted average of the landed cost is adopted as the landed cost varies from consignment to consignment and source to source.

(d) and (e) The bulk drug prices are revised from time to time when the input costs which are considered in fixation of prices undergo changes. In the intervening period the earlier notified prices prevail. There is no proposal to introduce para 7(2) of DPCO 1979, in the DPCO, 1987 as it would not be in accordance with the provisions of the Drug Policy, 1986.

श्री अनन्त राम जायसवाल : मान्यवर, माननीय मंत्री जी से मैं पहले दरख्वास्त करूंगा कि जो उन्होंने जवाब दिया है उसमें ड्रग्स प्राइस की लैंडिड कास्ट के बारे में, इन्होंने बताया है कि 8,590 रुपया । हमारी जानकारी के हिसाब से 77,050 रुपया है, तो इसको दुरुस्त कर लीजिएगा । जब वेरापामिल की लैंडिड कास्ट एक हजार रुपया थी, तब फार्मूलेशन के दाम तय किए गए थे। तो मेरा पहला सवाल है कि क्या मंत्री जी यह बताएंगे कि एक हजार रुपया कास्ट के आधार पर फार्मूलेशन के दाम यानी फिनिश्ड मेडिसिन के जो दाम लगाए गए थे, तो यह कितने दिन से लागू है और यह जो कमी आई है लैंडिड कास्ट में, वह कितने दिन से है और उस हिसाब से मेडिसिन के दाम मोडिफाई क्यों नहीं किए गए ?

SHRI EDUARDO FALEIRO : Sir, as I have mentioned in my reply, the price is Rs. 8950.40 and this was fixed some time in December, 1993. Now, there is no question of two average landed prices being there because this is the price, as it says, on the weighted average, fixed by the Government under the rules and procedures. So, there cannot be two average landed prices fixed by the Government. The one prevailing at this point of time was fixed, as I said, somewhere around December last year and it is there until it is changed.

श्री अनन्त राम जायसवाल : सर, हमने जो पूछा था, मंत्री जी ने उसका जवाब नहीं दिया है, गोलमोल जवाब दिया है । यह दवाओं के दामों में जो हेराफेरी कर रहे हैं, तो इसको रोकने की जिम्मेदारी तो गवर्नमेंट की थी, वह गवर्नमेंट ने नहीं निभाई है। लैंडिड कास्ट के कम होने पर उस हिसाब से इससे बनने वाली दवाइयों के दाम कम क्यों नहीं किए गए, मैं यह जानना चाहता हूं और उन्होंने यह जवाब नहीं दिया है ।

SHRI EDUARDO FALEIRO : Now, Sir, I suppose I have not made myself understood. The weighted landed price is applied when the bulk drug is imported. If it is substantially imported and not substantially manufactured in the country, then, it is applied. Whatever the cost is,—the cost is not the cost of consignment —it is the weighted average price. The weighted average landed price means the CNF plus customs duty which is weighted over a period of time. It was one year. Now, we are reducing it to six months. So, that is the price. We consider what the prices of different consignments that came to different ports over a period of one year are and we take the weighted average of that and fix the price. Therefore, if the manufacturer is there and he claims a lower price, the lower price is fixed; otherwise, it is the weighted landed price. If he claims higher than the weighted average price, that is not given; it is the weighted landed price which is given. I do not know what the difficulty, as far as this price is concerned, is. Perhaps what the hon. Member asks is : sometimes, it may happen that overall the weighted landed price, at a particular point of time, was 'X' and after that, the prices have gone down; then, why don't you see—perhaps that is the question—that the lower price that prevails now is enforced and not the higher price in the weighted landed average, which was there about a few months ago ? I want to tell the hon. Member and assure him respectfully that whenever we come across the facts which show that the market price prevailing at a particular point of time is lower than the weighted landed price which the Government has fixed, immediately, *suo motu* we go into the market, find out the prices, ask the BICP to do this exercise and fix the interim price, until the next weighted landed average price comes about. So, this is what

we do and the question is well taken to the extent that there is a concern. And there should be a concern about controlling the prices and seeing to it that unreasonable profits are not made by the manufacturers though they are entitled to reasonable profits. Therefore, this is what we are doing. We fix the weighted landed price in due course, which is over a period of one year, and when we see a sharp drop, when we come to know that there is a sharp drop in the market, *suo motu*, we take it up with the BICP to do an interim price fixation so that the lower price is actually implemented.

श्री अनन्त राम जायसवाल : यही हमारी शिकायत थी जो मंत्री जी ने कहा कि गवर्नमेंट सु-मोटो कर रही है, लेकिन गवर्नमेंट ने किया नहीं, यही तो हमारी शिकायत है । दूसरी चीज, पहले जो इस सिलसिले में 1979 का प्राईस कंट्रोल आर्डर था, तो उसके पैरा-7(2) के अनुसार जो नाजायज मुनाफा कमा लेते थे दामों की हेराफेरी से, उसको आपने हटा दिया । लेकिन अब देखने में यह आता है कि अब इस तरह की हेराफेरी हुई है, तो क्या आप उस पैरा को फिर से लागू करके कारखानेदारों ने जो नाजायज नफा किया है उसकी वसूली की कार्रवाई करेंगे? दूसरे, और कौन-कौन सी आधारभूत ड्रग्स हैं जिनके दाम बाजार में गिर गए हैं और उसके मुताबिक उनसे बनने वाली फिनिश्ड मेडिसिन के दाम कम नहीं किए गए हैं, इस पर भी प्रकाश डालिए ?

SHRI EDUARDO FALEIRO : Sir, as the hon. Member rightly pointed out, under the 1979 DPCO, there was a provision for Drug Price Equalisation Account which meant this : The Government would fix a price. But the cost would be lower in the case of larger units and higher in the case of smaller units. So, whenever there is an unintended profit beyond that particular ceiling fixed by us, the company would have to refund that money or the Government would have to recover that money from that company. Whenever the company would make a loss, the Government would refund to the company. But what was happening was that the Government was only refunding. The Government was called upon to refund when loss was made. But when profit was made or unintended profit was made, whenever we claim for the recovery of the unintended profit, the company would go to the court. The formula, in short, was not working at all in 1987 when the new DPCO came into force. This DPCO is still in force. On the basis of the 1986 Drug Policy, it was mentioned in the High Court that due to the word, 'intractable'—I repeat the word 'intractable'—, envisioning those problems, the provision in the earlier DPCO was not incorporated in the 1987 DPCO. I have mentioned about the other ancillary problems. May I add here that there is no country in the world which has as many manufacturers of drugs or medicines as in India. We have about 250 companies in the organised sector which manufacture on a large scale and more than 8,000 companies who manufacture on a small scale. There is no other country in the world where you have so many manufacturers of drugs and medicines as in India. To implement the provision... (*Interruptions*)...

SHRI E. BALANANDAN : Ours is a big country.

SHRI EDUARDO FALEIRO : There are bigger countries than ours. I think there is one big country of which you are very well aware. But there also, the number of companies manufacturing drugs and medicines is very less. These are the other ancillary problems. The 1986 DPCO is considered to be intractable. Therefore, this provision is not there. Therefore, it cannot be implemented.

MR. CHAIRMAN : Now, Mr. Sarala Maheshwari ... (*Interruptions*) ... Mr. Jaiswal, you have already put three questions.

श्रीमती सरला माहेश्वरी : सभापति महोदय, माननीय मंत्री महोदय ने विश्व के दूसरे देशों का जिक्र किया है । इसलिए मैं मंत्री महोदय से जानना चाहती हूं कि क्या मंत्री महोदय इस बात से अभिज्ञ हैं कि विश्व के दूसरे देशों में जहां-जहां पर यह पाया गया कि अमुक दवा का दाम ज्यादा है तो उस देश की सरकार ने उसको निर्देश दिया । मैं आपको उदाहरण देना चाहूंगी ब्रिटेन का कि ब्रिटेन के मोनोपली कमीशन ने जब यह

पाया कि वहां वेलियम और लिब्रियम जैसी ट्रैंक्वेलाइजर दवाओं का दाम बहुत ज्यादा लिया जा रहा है तो सरकार ने इन दवाओं को बनाने वाली कंपनी "रोश" को निर्देश दिया और उस कंपनी को हरजाना जमा करवाना पड़ा । तो मैं मंत्री महोदय से यह जानना चाहती हूं कि हमारे देश में जब यह देखा गया कि पिछले कुछ दिनों से रेनीटिडीन की तरह की दवाइयां, जो बहुत ज्यादा उपयोग में आती हैं, उनके दाम जरूरत से ज्यादा हमारी कंपनियों ने वसूल किए तो इतने दिनों से जो ज्यादा दाम लिए जा रहे थे, उस हरजाने को वसूल करने के लिए सरकार की तरफ से कोई निर्देश गया है या नहीं?

SHRI EDUARDO FALEIRO : Yes, Sir. We have issued guidelines. We have made requests to the State Governments because this is all that we can make to the State Governments. As the hon. Member is aware, drugs and medicines are essential commodities enforced under the Essential Commodities Act by the State Governments.

SHRIMATI SARALA MAHESHWARI : It is not a question of issuing guidelines. It is a question of compensation.

SHRI EDUARDO FALEIRO : I am coming to that. It is not just compensation alone. As I said, drugs and medicines are essential commodities coming under the Essential Commodities Act. Therefore, under this Act, apart from compensation, provision for imprisonment is also there. The enforcement machinery, like in all other essential commodities, is in the hands of the State Governments. We have repeatedly asked them to take action. Here I may say that we have received replies only from two State Governments, that too, through the Drug Controllers of those States through whom the enforcement machinery works. They are Maharashtra and Gujarat. The other State Governments did not at all inform us about any overcharging. The Governments of Maharashtra and Gujarat have done something. They have taken some action. All the other State Governments have not given us any information in spite of our requests. Apparently, they would have found nothing as far as overcharging in concerned.

श्री जनार्दन यादव : सभापति महोदय, मैं आपके माध्यम से मंत्री जी से कहना चाहता हूं कि आज हिंदुस्तान में दवा महंगी है और मौत सस्ती है । तो मानवता के आधार पर क्या मंत्री महोदय गरीब लोगों को बचाने के लिए दवा की कीमत कम करेंगे ?

SHRI EDUARDO FALEIRO : Sir, this is approved by the Parliament. Sir, we have to see two things. Number one : The man who makes the medicine must make some profit. Number two : The profit should not be unreasonable and should be within limits. And that is what the DPCO provides. The profit provided is 14 per cent, after tax, after post-tax. I think, that is sufficient, that is reasonable. It must be implemented. But more than that, I don't think it is possible to give. And we must see therefore that it is not done. And it is not for the Government to fix whatever price. We cannot go on making medicines. It is for the man who makes the medicine to get the cost of the things also. Please let us understand one thing. While I am saying that the prices of all medicines must remain under control and only a reasonable profit and nothing more should be allowed or should be made by the manufacturers, the fact of the matter is that the rise in the prices of medicines is much lower, is substantially lower than the rise in the prices of commodities across the board. If there is a price rise in the medicines, the price rise is substantially below the general price rise. And if you take the price index of 1981-82 as 100, the increase from 1981-82 in general commodities has been 258.8, and for medicines, it has been 194. Now, since the Drug Prices Control Order...

SHRI GURUDAS DAS GUPTA : If this is the justification for the price rise... (*Interruptions*)

SHRI EDUARDO FALEIRO : I am making this on two points. One, let us be aware that the prices do not go down, and the prices go up and up. That is unfortunate. But they go up much less ...(*Interruptions*) I am telling you. The prices go up much less in medicines than

in general commodities. Yet, this is no reason to be complacent. We are very firm in keeping the prices under control. And if there are any further suggestions that on specific medicines the prices have shot up substantially, we will look into them. If there are general suggestions on how to control the prices generally, definitely we will accept them. Therefore, I want to keep the things in perspective.

(*Interruptions*)

SHRI PRAKASH YASHWANT AMBEDKAR : Mr. Chairman, Sir, the Minister has been saying that the prices are going up and up. But let me ask the Minister whether he is aware of what the market price today is of the product Verapamil which he has mentioned. He has stated that the Government has fixed it as Rs. 8,950.40 per kilogram. But the landing price, if you take as of today, is Rs. 7750. So, which figure is right ?

SHRI EDUARDO FALEIRO : We have no report at all to this effect. If the Member has his report, let him give it to me, and we will examine it in the manner I have said.

SHRI PRAKASH YASHWANT AMBEDKAR : Are you going to take action against this report ?

MR. CHAIRMAN : You please give the facts first. Then it will be examined.

SHRI PRAKASH YASHWANT AMBEDKAR : What I have stated is in the Government bulletin itself.

MR. CHAIRMAN : He is not aware of that. You please give the facts to the Minister.

SHRI PRAKASH YASHWANT AMBEDKAR : Those are the Government figures, not my figures.

SHRI EDUARDO FALEIRO : There is no Government bulletin, and there are no such figures from the Government.

MR. CHAIRMAN : Question No. 442.

इंडियन एयरलाइंस का लाभ और घाटा

*442 **श्री शंकर दयाल सिंह :†**
श्री चिमनभाई मेहता :

क्या **नागर विमानन और पर्यटन** मंत्री यह बताने की कृपा करेंगे कि :

(क) विगत एक वर्ष के दौरान इंडियन एयरलाइंस के विमानों द्वारा ढोए गए यात्रियों की संख्या कितनी है और इस अवधि में कितने रुपयों की टिकटों की बिक्री हुई;

(ख) सरकार को उक्त अवधि के दौरान किन-किन क्षेत्रों में सर्वाधिक लाभ या घाटा हुआ; और

(ग) क्या यह सच है कि निजी विमान कम्पनियों के इस क्षेत्र में आ जाने के कारण सरकार के घाटे में वृद्धि हुई है?

नागर विमानन और पर्यटन मंत्री (श्री गुलाम नबी आजाद) : (क) से (ग) एक विवरण सभा पटल पर रखा गया है ।

विवरण

(क) वर्ष 1993-94 में, इंडियन एयरलाइन्स ने 78.90 लाख यात्रियों का वहन किया । इस अवधि के लिए अनुमानित यात्री राजस्व 1515 करोड़ रुपए है ।

(ख) अनुमान है कि वर्ष 1993-94 में इंडियन एयरलाइन्स को कालीकट-शारजाह मार्ग पर उच्चतम लाभ हुआ तथा दिल्ली-पटना-रांची-कलकत्ता मार्ग पर इसे अधिकतम हानि हुई ।

(ग) इंडियन एयरलाइन्स ने यह अनुमान लगाया है कि यदि कोई एअर टैक्सी प्रचालन नहीं होते तो वे 460 करोड़ रुपए का अतिरिक्त राजस्व अर्जित कर लेते ।

श्री शंकर दयाल सिंह : सभापति महोदय, अभी जो हमारे सामने हमारे प्रश्न का उत्तर आया है, उस से कुछ बातों की जानकारी

†सभा में यह प्रश्न श्री शंकर दयाल सिंह द्वारा पूछा गया ।